



## APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

### DEPARTMENT OF LABOR AND ECONOMIC GROWTH PART 1: LINE ITEM DETAIL

2007 PA 118  
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#### Sec. 101. APPROPRIATION SUMMARY

1.	<u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature.	58.5
2.	<u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	4,282.5
3.	<b><u>GROSS APPROPRIATION</u></b> - Total appropriations	<b>\$1,301,230,700</b>
4.	<u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total Statewide appropriations.	34,472,800
5.	<b><u>ADJUSTED GROSS APPROPRIATION</u></b> - Gross appropriations less IDGs.	1,266,757,900
6.	<u>Federal revenue</u> - Funding allocated to the State by the Federal government.	820,712,500
7.	<u>Local revenue</u> - Funds paid by local units of government that support State services and programs.	15,884,700
8.	<u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	5,314,300
9.	<u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	378,843,700
10.	<u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes.	46,002,700
11.	<u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	51,470,500

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**Sec. 102. DEPARTMENTAL ADMINISTRATION**

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|----|---|---------------------|
| 1. | <u>Unclassified salaries</u><br>Unclassified FTE positions<br>The positions that are funded through this line are the following: the Department Director, the Director of the Bureau of Workers' and Unemployment Compensation, the Commissioner of the Office of Financial and Insurance Services, Liquor Control Commissioners, Public Service Commissioners, Tax Tribunal Commissioners, the Workers' Compensation Board of Magistrates, Workers' Compensation Appellate Commission members, Employment Relations Commission members, and the Michigan Employment Board of Review members.   | \$5,349,400<br>58.5 |
| 2. | <u>Executive director programs</u><br>Classified FTE positions<br>This line provides funding to support the costs of the staff and administration of the Department Director's Executive Office, and the salaries and administrative costs for the two Deputy Directors, the Chief Information Officer, Freedom of Information Coordinator, and Total Quality Management Coordinator. Beginning in FY 2005-06 the line also included the Policy Development Unit which consists of three offices:<br>A. Office of Policy and Legislative Affairs. This office monitors all legislation relating to the various statutes administered by the Department as well as the administrative rules.<br>B. Office of Media Relations and Communication. This office handles all media relations and public inquiries as well as coordination of television programming for public service announcements regarding services provided by the Department to the general public.<br>C. Outstate Offices. The Department operates two satellite offices in Detroit and the Upper Peninsula.<br>This line is funded with various restricted and Federal fund sources, and \$468,500 GF/GP. | \$6,622,100<br>53.0 |
| 3. | <u>Regulatory efficiency improvements/ backlog reduction initiative</u><br>line provides spending authority to address efficiency issues and backlogs in processing applications and complaints. Funding is provided when temporary assistance is needed to address a backlog.  | \$475,600           |
| 4. | <u>Property Management</u><br>This line (formerly building occupancy charges) provides funding to support leases associated with occupancy of State-owned buildings in which Department personnel occupy space. These leases are statewide.   | \$10,519,200        |
| 5. | <u>Rent</u><br>This line provides funding to support leases in private buildings in which Department personnel occupy space. These leases are statewide.  | \$17,015,600        |
| 6. | <u>Workers' compensation</u><br>This line supports the Department's obligations for workers' compensation premiums and reserve funds.   | \$1,381,000         |

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7.	<u>Special project advances</u>	\$940,000
	This line provides spending authority to allow the Department to bring in private revenue for special events and to spend those funds to support the event. An example of such an event would be a conference or educational forum for which a registration fee is charged of the participants.	
8.	<u>Human resources optimization user charges</u>	\$259,700
	The Human Resources Optimization Project is an on-going effort to use the Human Resources Management Network (HRMN) to consolidate and standardize the processing of payroll, personnel and budget transactions and services for State employees. The Project excludes the Judiciary, Legislature, and the Departments of Attorney General and State. The centralized Human Resource Service Center is housed in the Department of Civil Service, and the Department of Information Technology provides technical maintenance.	
9.	<u>Administrative services</u>	\$13,059,500
	Classified FTE positions	126.0
	This line provides funding for the Department's administrative bureaus including Finance, Personnel, Budgeting, and Federal reporting. Funding for this line comes from all sources within the budget including Federal and restricted licensing revenue as well as \$791,200 from the General Fund.	
	<b>Unit Gross Appropriation</b>	<b>\$55,622,100</b>
	IDG	300,000
	Federal revenue	23,434,800
	Local revenue	131,300
	Private revenue	940,000
	State restricted revenue	29,385,900
	State general fund/general purpose revenue	1,430,100

**Sec. 103. OFFICE OF FINANCIAL AND INSURANCE SERVICES**

1.	<u>Administration</u>	\$4,162,400
	Classified FTE positions	21.0
	This line includes funding for the central administration of this Bureau including personal, training, budget, and finance.	
2.	<u>Financial evaluation</u>	\$27,073,000
	Classified FTE positions	181.0
	This line provides funding for financial evaluation staff in the following divisions:	
	A. Bank and Trust Division. Charters, examines, and supervises chartered banks, savings banks, savings and loan associations, and BIDCOs (Business and Industrial Development Corporation).	
	B. Credit Union Division. Annually examines the State-chartered credit unions.	

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- C. Insurance Division. Processes all insurance applications, both domestic and foreign, for State approval to operate in Michigan, ensures the financial soundness of insurance companies, examines the books and records and rehabilitates or liquidates troubled insurers.
- D. Enterprise Monitoring Division. Processes applications for new State-chartered financial institutions, those requesting changes in corporate structure, and those requesting capital enhancement. This division also evaluates large, complex, and diversified in-State financial service organizations, and administers the risk assessment program.
- E. Supervisory Affairs Division. Oversees troubled insurers that are placed in supervision, conservatorship, rehabilitation, or liquidation. The Division also reviews foreign insurers.
- F. Mortgage and Consumer Finance Section. This unit supervises consumer financial service, credit cards, mortgage brokers, lenders and services; motor vehicle sales finance; and secondary mortgage loans.

Fund sources for this line item are Credit Union Fees, Bank Fees, Consumer Finance Fees, Securities Fees, Insurance Regulatory Fees, and Insurance Licensing and Regulation Fees.

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| 3. | <u>Policy conduct and consumer assistance</u> | \$14,177,900 |
|    | Classified FTE positions                      | 86.0         |

This line provides funding for the following areas:

- A. Policy Development. This division provides support to the Office of Commissioner on legislative issues, administrative rules, guidelines, Federal legislation.
- B. Consumer Services. This division consists of the Communication Center Section which responds to inquiries regarding insurance, banking, mortgage loans, and other financial services. The Consumer Assistance Section reviews, evaluates, and performs dispute resolutions for all of the regulated insurance and financial institutions. This division also encompasses the media relations section.
- C. Licensing. This division provides the administrative support needed to license insurance agents and agencies, securities broker-dealers, investment advisors, securities agents, mortgage brokers, and all other consumer finance providers.
- D. Conduct Review. This division ensures that licensees are compliant with State statutes regulating this industry.
- E. Securities and Insurance Offerings. This division recommends the approval of securities offered through brokers/dealers and insurance products.
- F. Health Plans. This division regulates Blue Cross/Blue Shield of Michigan, Health Maintenance Organizations, and other health plans offered in the State. Additionally, external appeals programs are administered for subscribers of HMOs, Blue Cross, and insurers and for providers of services to Medicaid health plan contractors.
- G. Payday Lending. Office of Financial and Insurance Services (OFIS) licenses operators in the deferred presentment industry, or pay day lenders. It also requires tracking of transactions and limits the amount of the service fees. These regulations were created by PA 244 of 2005 and funding for the administration of this program was included in the budget beginning in FY 2006-07.

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H. Money Transmission Services. This unit includes anti-money laundering activities under P.A. 250 of 2006.

This line item is funded with Insurance Continuing Education Fees, Credit Union Fees, Bank Fees, Consumer Finance Fees, Multiple Employer Welfare Arrangement Fees, Securities Fees, Deferred Presentment Service Transaction Fees, Insurance Regulatory Fees, and Insurance Licensing and Regulation Fees.

<b>Unit Gross Appropriation</b>	<b>\$45,413,300</b>
Federal revenue	50,400
State restricted revenue	45,362,900
State general fund/general purpose revenue	0

**SEC. 104. PUBLIC SERVICE COMMISSION**

The Pubic Service Commission (PSC) is a three-member, Governor-appointed (six-year) Commission which regulates all public utilities and motor carriers in the State except those restricted by law. Regulation of this industry includes the responsibility to set rates, fares, fees, charges, and services. Public utilities include electric light and power companies, local telephone service, and oil and gas pipeline companies. Additionally the Commission is responsible for registering motor carriers of property.

1. <u>Administration, Planning and Regulation</u>	\$21,797,600
Classified FTE positions	159.0

This line consists of the following units:

- A. Electric. This unit regulates privately owned electric utilities and rural electric distribution cooperatives. (Municipally owned utilities are exempt from PSC regulation.) It also administers the electric regulatory program which includes providing technical assistance to the Commission, review of rates and service charges, processing applications, responding to all complaints and inquiries. This unit is also responsible for ensuring the deregulation of this industry is implemented within the time frames established by State law.
- B. Gas. This unit administers the gas regulatory program which includes natural gas production, transmission, and storage. Staff analyzes rates and reliability, processes permits, responds to rate complaints, and investigates natural gas incidents.
- C. Private Wastewater Treatment Facilities. Pursuant to PA 189, PA 190, and PA 191 of 2005, the PSC is required to regulate private wastewater utilities, which are permitted to apply to the PSC for regulation of their rates.
- D. Telecommunications. This unit administers the communications regulatory program which is primarily an oversight function due to deregulatory changes that were made in 1996 to the Federal Telecommunications Act. The main function is to ensure service is available and that competition exists.

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- E. Licensing and Enforcement. This unit oversees the certification of the motor carriers in the State, collects and provides information regarding the financial and operating data of utilities, and oversight of the decommissioning of nuclear power plants.
- F. Executive Secretary Division. This division provides the administrative support to the commission and staff, public, and media relations duties, record maintenance, and statistical analysis.
- G. Video Franchise Regulation. Beginning in FY 2006-07 the PSC also provides supervision under the Uniform Video Services Local Franchise Act, P.A. 480 of 2006.

2.	<u>Energy office</u>	\$5,342,100
	Classified FTE positions	9.0

This line is funded with Federal Department of Energy grant dollars and restricted Public Utility Assessments. The funding is used to provide grants to private and governmental agencies to promote energy efficiency and the use of renewable energy sources.

3.	<u>Children's protection registry administration</u>	\$271,200
	Classified FTE positions	2.0

This line item was added in the FY 2005-06 in compliance with PA 241 of 2004. The Act requires the department to create a registry that allows for the free registration of internet contact points which a minor child might have access to. Registrants can include parents, guardians, schools and other institutions or entities that serve minors. Anyone sending a message to these contact points is required to pay a communications fee for access to these contact points. The Department is required to verify compliance with the Registry of all senders. Funds collected by these fees are deposited into the Children's Protection Registry Fund.

<b>Unit Gross Appropriation</b>	<b>\$27,410,900</b>
Federal revenue	5,813,000
Private revenue	30,000
State restricted revenue	21,567,900
State general fund/general purpose revenue	0

**SEC. 105. LIQUOR CONTROL COMMISSION**

The Liquor Control Commission was created under PA 8 of 1933. The Commission consists of five members appointed by the Governor with the advice and consent of the Senate for staggered four-year terms. Of these five members, no more than three may be of the same political party. Michigan is a "control" state which means that the Commission is responsible for controlling alcoholic beverage traffic including the manufacture, importation, possession, transportation, and sale of alcohol within the State. Primary funding for this unit comes from the Liquor Purchase Revolving Fund which receives revenue from the collection of specific and excise taxes on beer wine, distilled, and mixed spirits and a 65.0% markup on distilled spirits. The balance of this Fund is then deposited into the General Fund at year end. Other

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revenue includes the liquor license fees that are collected from all retail and nonretail establishments selling alcohol products in Michigan.

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| 1. | <u>Management support services</u> | \$3,403,100 |
|    | Classified FTE positions           | 28.0        |

This line funds all of the central support staffing and responsibilities associated with the administration and implementation of the Liquor Control Act. This includes support staff to the Commission, the audit and tax unit, the Business Manager, the Assistant Attorney General as well as the personal, budgeting, and financial management staff.

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| 2. | <u>Liquor licensing and enforcement</u> | \$12,175,000 |
|    | Classified FTE positions                | 124.0        |

This line includes funding for the following divisions:

- A. Licensing. This division processes applications for all retail on and off-premise licensees, manufacturers and wholesalers (brewers, wineries, salespersons, and vendor representatives). There are approximately 35,700 licenses issued by the State. This number includes all retail, nonretail, renewals, special permit (24 hour), and wholesaler and manufacturer licenses.
- B. Enforcement. This division is responsible for conducting all investigations of alleged violators of the Liquor Control Act and the Administrative Rules that govern licensed behavior. This division also conducts investigations of license applicants and provides information and support to local law enforcement regarding the enforcement of liquor laws.
- C. Executive Services. This division handles all hearings and appeals of licensees, legislative policy research, and public affairs.

<b>Unit Gross Appropriation</b>	<b>\$15,578,100</b>
State restricted revenue	15,578,100
State general fund/general purpose revenue	0

**Sec. 106. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

This Authority consists of eight members, five of whom are appointed by the Governor with the advice and consent of the Senate to serve four-year terms. The remaining three seats are held by three heads of principal executive departments. The Authority oversees Federal housing programs, assists in ensuring affordable housing is available through the sale of tax-exempt bonds and notes and providing grant funding to nonprofit organizations for rehabilitation.

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| 1. | <u>Payments on behalf of tenants</u> | \$140,000,000 |
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The Authority administers the Federal Section 8 Existing Housing Program by providing rental subsidies for households with very low income. The subsidies equate to the difference between fair market rental rates and a fixed percentage of the tenants family income, not to exceed 30.0%. Eligible recipients include senior citizens, the disabled, and low-income families that meet the Federal income limits.

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| 2. | <u>Housing and rental assistance program</u> | \$37,256,600 |
|    | Classified FTE position                      | 266.0        |

This line supports the administration of the Authority and related programs, including salary and fringe benefits for the Authority staff. In November 2005, the Community Assistance Team transferred from the Michigan Economic Development Corporation to MSHDA. The transferred involved 29.0 FTEs.

<b>Unit Gross Appropriation</b>	<b>\$177,256,600</b>
Federal revenue	140,000,000
State restricted revenue	37,256,600
State general fund/general purpose revenue	0

#### SEC. 107. OCCUPATIONAL REGULATION

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|----|----------------------------------|-------------|
| 1. | <u>Boiler inspection program</u> | \$2,764,400 |
|    | Classified FTE positions         | 25.0        |

This program regulates the construction, installation, maintenance, and repair of boilers to ensure safe operation. It licenses repair personnel, special inspectors, and installers, receives permits for all boilers throughout the State, and maintains the records until they are removed from service.

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| 2. | <u>Fire fighters training council</u> | 1,743,400 |
|    | Classified FTE positions              | 8.0       |

This Council was created by PA 291 of 1966 and is made up of seven members, consisting of six appointed by the Governor with the advice and consent of the Senate for three-year terms, and one appointed by the Department Director. The Council establishes the training and certification standards for about 30,000 fire fighters and officers and administers certification examinations. Funding for this line includes Federal, IDG, and \$1,348,400 GF/GP.

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| 3. | <u>Fire marshal program</u> | 448,200 |
|    | Classified FTE positions    | 5.0     |

This program is responsible for the Fire Incident Reporting and the Michigan Insured Fire Loss Reporting System and administers the permitting process for the transportation and sale of fireworks as established in the Michigan Penal Code, MCL 750.243b. This line is funded by \$448,200 GF/GP.

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| 4. | <u>Fire safety program funding</u> | 4,333,300 |
|    | Classified FTE positions           | 44.0      |

This line provides funding for the following programs:

- A. State Fire Safety Board. This Board has 17 members of which 16 are appointed by the Governor with the advice and consent of the Senate. The final member is the State Fire Marshal or his designee. The Board is responsible for the promulgation and enforcement of rules regarding fire safety in regulated institutions.



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- B. Adult/Child Section. Responsible for conducting plan reviews of new construction, additions or remodeling projects and performs fire safety inspections of adult foster care homes (1-6 residents upon request), child caring institutions, child day care centers, children's camps. This division also is required to ensure compliance from the State contractor who administers the Qualified Inspector Program.
- C. Code Administration Section. Responsible for construction plan review and annual fire safety inspections of licensed facilities under the Public Health Code, the Adult Foster Care Facilities Act, and any facility that is required to have a Federal Register for Health Care Finance Administration (HCFA) certification.
- D. Certified Fire Inspector Training Program. This program provides training and certification for all fire inspectors.
- E. Field Services Section. This division performs the field inspections of licensed facilities to ensure fire safety standards are met.

Funding for the line includes \$1,324,900 GF/GP.

5.	<u>Code enforcement</u>	\$13,036,700
	Classified FTE positions	120.0

This line funds the staffing and per diem costs for the following commissions and boards:

- A. Construction Code Commission. Promulgates State construction codes, regulates premanufactured housing, and holds hearings in enforcement of the Act.
- B. Barrier Free Design Board. Reviews and processes requests for exceptions to the barrier-free design rules, reviews complaints, and promulgates rules.
- C. Electrical Administrative Board. Promulgates and enforces rules regarding licensed electricians and electrical contractors, process applications for licensure, investigates violations.
- D. Plumbing Board. Promulgates rules for licensed plumbers, processes applications, and investigates violations.
- E. Board of Mechanical Rules. Promulgates rules, processes applications for licensure of mechanical contractors, and investigates violations.
- F. Board of Boiler Rules. Regulates the construction, installation, use, and repair of boilers throughout the State, licenses boiler inspectors, installers, and repairers.
- G. Elevator Safety Board. Regulates the construction, installation, maintenance, and repair of elevators, licenses inspectors, contractors, and journey persons.
- H. Mobile Home Commission. Regulates manufactured housing and licenses manufactured home installers, servicers, and retailers.
- I. State Boundary Commission. The Commission rules on municipal boundary adjustment issues.

This line also provides funding for:

- A. The administration of construction code regulations. This includes plan review, inspections, licensing of trades people, and licensing inspection personnel.
- B. Construction Code Flexibility. This provides spending authority to provide flexibility to the Bureau of Construction Codes by allowing them to hire additional personnel as workloads increase during peak times. These funds are generated through licensing fees which would increase consistent with additional activity.

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6.	<u>Commercial services</u>	\$17,651,200
	Classified FTE positions	156.0
	<p>Licenses and regulates 30 occupations and professions and provides staff support to 19 occupational boards. The regulated occupations include: Accountancy, Real Estate Appraisers, Architects, Auctioneers, Barbers, Residential Builders, Carnival Amusement Safety, Community Planners, Collection Practices, Cosmetology, Personnel Agencies, Engineers, Foresters, Hearing Aid Dealers, Immigration Clerical Assistants, Surveyors, Landscape Architects, Mortuary Science, Polygraph Examiners, Prepaid Funeral Contract Sellers, Real Estate Sales, Security Alarm Contractors, Ski Safety, Private Security Guard Businesses, Vehicle Protection Product Warrantors, and Unarmed Combat. This division also regulates 139 private cemeteries and administers the Homeowner Construction Lien Recovery Fund. Also included is the Corporation Division which reviews and files all articles of incorporation, certificates of limited partnerships and articles of organization. This division handles all inquiries regarding corporations, partnerships, and limited liability companies and partnerships. The bureau also includes an enforcement division which investigates complaints against licensees and businesses regulated by the Bureau of Commercial Services.</p>	
7.	<u>Elevator inspection program</u>	\$2,938,800
	Classified FTE positions	30.0
	<p>This program regulates the installation and repair of all elevators in the State except those in Detroit. It licenses all inspectors, installers, repair persons, and alteration persons.</p>	
8.	<u>Local manufactured housing communities inspections</u>	\$250,000
	<p>Provides funding to local governmental units that are responsible for park inspections in their area. These communities are required to be inspected before a license will be issued. The Department of Community Health or an authorized representative inspects the community and issues a certificate of compliance allowing DLEG to issue a license. Public Act 419 of 1976 is the authorizing statute.</p>	
9.	<u>Manufactured housing and land resource program</u>	\$3,191,800
	Classified FTE positions	22.0
	<p>This Program regulates all manufactured housing parks, installment repairers, brokers, dealers, and lessors. This unit also administers the Land Sales Act, PA 286 of 1972, which requires that developers of subdivided land must register and all advertising, promotions, and disclosure materials are reviewed before distribution to the general public.</p>	
10.	<u>Property development group</u>	\$1,569,400
	Classified FTE positions	11.0
	<p>This division administers the Subdivision Control Unit and the County Rural Zoning Unit as well as providing administrative support to the State Boundary Commission. This division establishes and enforces statewide standards for subdivision of land for residential, commercial, and industrial purposes; reviews proposed changes to county zoning ordinances; administers the State Survey and Remonumentation Program and holds hearings on boundary and other changes of local governments - annexations, corporations, and consolidations.</p>	

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<b>Unit Gross Appropriation</b>	<b>\$47,927,200</b>
IDG	822,800
Federal revenue	775,000
State restricted revenue	43,207,900
State general fund/general purpose revenue	3,121,500

**Sec. 108. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION**

1. Occupational safety and health \$26,198,200

Classified FTE positions 229.0

This line funds the following divisions:

- A. Appeals. Provides representation for the General Industry and Construction Safety divisions during contested MIOSHA citation hearings.
- B. Construction Safety and Health Division. This division enforces safety standards in all aspects of the construction industry including road and bridge projects, communication, and power line transmission towers.
- C. Consultation Education and Training. Provides training and consultation to Michigan businesses. Funding for this program is provided by a levy assessment placed on businesses which then is matched by Federal funds.
- D. Employee Discrimination Section. Investigates complaints by workers who allege discrimination for exercising rights under the Michigan Occupational Safety and Health Administration (MIOSHA) Act.
- E. General Industry Safety and Health. Inspects and investigates all employers that are not classified as construction sites. Investigates and inspects businesses regarding the use of substances that workers are exposed to including air contaminants, noise, ergonomic hazards, blood borne pathogens, and ionizing and non-ionizing radiation. Enforces agency rules regarding protective equipment, control measures to minimize exposure, and administrative control.
- F. Management Information Systems Section. Compiles and provides injury and enforcement statistics, and is responsible for Federal OSHA record keeping.
- G. MIOSHA Standards Section. Provides administrative support to the three commissions and all advisory committees to promulgate safety and health standards for the State.
- H. Safety Education and Training Grants. This funding is provided to private organizations or educational institutions for safety education and training on topics that are outside of the expertise of the State staff or would require additional resources that are unavailable.

<b>Unit Gross Appropriation</b>	<b>\$26,198,200</b>
Federal revenue	12,197,000
State restricted revenue	14,001,200
State general fund/general purpose revenue	0

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**Sec. 109. BUREAU OF WORKERS' AND UNEMPLOYMENT COMPENSATION**

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| 1. | <u>Administration</u>  | \$9,896,800 |
|    | Classified FTE positions   | 96.6        |
|    | Administers the Workers' Disability Compensation programs. This line includes funding for the following divisions:   |             |
|    | A. Claims Processing. Maintains current and historical claims/case records system. Also administers the Supplemental Benefit Fund which provides supplemental payments to injured workers receiving benefits if the injury occurred prior to 1981. These supplements are based on the percentage change in the State average weekly wage for the year the individual was injured prior to 1981.  |             |
|    | B. Mediation. Mediates cases between parties of a workers' compensation claim which prevents the case from having to proceed to the Magistrate or Appellate level.   |             |
|    | C. Vocational Rehabilitation. Monitors employers to ensure that rehabilitation services are made available to and accepted by injured workers.   |             |
|    | D. Self Insured Programs. Administers the self-insured employers program. The Act allows employers to request to assume responsibility for making direct payment of benefits to workers. Performs regulatory reviews of these employer plans.  |             |
|    | E. Compliance and Employer Record. Maintains current and historical records for employers and enforces compliance with the insurance requirements of the Act.  |             |
|    | F. Health Care Services. Administers the programs and enforces the portions of the Act that pertain to providing health services to an injured employee. This includes rule development and review, evaluation, information, and education.  |             |
| 2. | <u>Board of magistrates and appellate commission</u>   | \$3,270,900 |
|    | Classified FTE positions   | 19.4        |
|    | The Board of Magistrates is a 26-member board, appointed by the Governor, and is responsible for hearing contested workers' compensation cases filed after March 31, 1986. The Board issues opinions on cases and hears disputes regarding workers compensation cases that fall under the Small Claims Division.   |             |
|    | The Appellate Commission is a five-member commission and handles all appeals of claim disputes regarding determinations made by the Board of Magistrates. These commissioners are appointed by the Governor and serve a four-year term and are responsible for writing an opinion regarding the case. This is the final step before a workers' compensation claim is taken to the court system.  |             |
| 3. | <u>Wage and hour division</u>  | \$3,090,100 |
|    | Classified FTE positions   | 35.0        |
|    | This program investigates employers to ensure that employment standards are being set. These standards include wage hour laws, employment of minors, and prevailing wage rates for State projects. The staff performs audits of employer records, conducts on-site investigations, prepares determination summaries, and issues determination summaries to ensure compliance. To respond to inquiries regarding the increase in the minimum wage effective 10/1/07, an additional 4.0 FTEs were appropriated for FY 2006-07. |             |

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| 4. | <u>Insurance funds administration</u><br>Classified FTE positions<br>Administers the Second Injury Fund; the Silicosis, Dust Disease, and Logging Industry Compensation Fund; and the Self Insurers' Security Fund. A board of trustees is responsible for oversight. Two of the trustees are appointed by the Governor and the third is a member of the Bureau of Workers' Compensation. A description of the funds follows:<br>A. Second Injury Fund. Provides benefits to individuals who meet the definition of total and permanent disability under the Act. Administers the Hire the Handicapped Program, covers the dual employment provisions of the Act, provides the 70.0% of the compensated benefits when the case is on appeal, and compensates individuals eligible under the Two Years Continuous Disability provisions.<br>B. Silicosis, Dust Disease, and Logging Industry Compensation Fund. Reimburses insurance companies or self-insured employers to claimants disabled or deceased as a result of silicosis or other dust diseases, or who sustained a personal injury or died while being employed in the logging industry, or who were exposed to polybrominated biphenyl (PPB) before July 1979.<br>C. Self-Insurers' Security Fund. Provides benefits to employees of bankrupt self-insured employers who become insolvent after 1971.                  | \$4,590,200<br><br>28.0     |
| 5. | <u>Supplemental benefit fund</u><br>Reimburses insurance companies or self-insured employers for compensation paid to claimants injured prior to 1981 as a supplemental to the basic weekly compensation rate to allow for inflationary increases based on the percentage change in the State average weekly wage.   | \$820,000                   |
| 6. | <u>Unemployment program</u><br>Classified FTE positions<br>Provides overall administration of the unemployment benefits program in Michigan. This line includes the following programs:<br>A. Unemployment Insurance Trust Fund. This Fund is administered by the Unemployment Agency and receives revenue from employers through unemployment taxes. This Fund then is used to pay benefits to unemployment claimants.<br>B. Tax Office. This office is responsible for managing all of the employer accounts, certification of employer wage and tax data to the Federal Internal Revenue Services, investigates employer protests, issues redeterminations and processes appeals, and certifies that job applicants are eligible participants in the Work Opportunity and Welfare-to-Work programs which enables employers to receive the tax credits available.<br>C. Office of Program and Policy Administration. Administers the benefits program, provides legislative and administrative rules analysis and expertise, issues the unemployment insurance benefit procedures, collects fraud and nonfraud overpayment, and monitors and coordinates the information systems utilized by staff and tax and benefit system users. Also responsible for all cross-match programs used to detect overpayments and ensure that all benefits are paid in accordance with the law. | \$94,340,500<br><br>1,002.7 |

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<p>D. Trust Fund Accounting. Maintains an inventory of post office-returned checks, processes affidavits for lost/stolen checks and forgery claims, issues refunds to employers and claimants, provides cash management for the trust fund, Federal and State reporting, contract administration for the banking contract, oversight of the accounting system and prepares the year-end financials for the trust fund.</p>	
<p>E. Office of Business and Financial Services. Provides accounting and budgeting support for the appropriated funds, records retention, lease negotiations, mail services, and provides accounting support for the trust fund.</p>	
<p>F. Office of Appeals. Responsible for hearing and deciding appeals regarding entitlements to benefits, employer tax rates, and employer liability. The Office also archives files, decision library copies, and prepares files that have been appealed for the next step in the appellate process (MES Board of Review).</p>	
<p>G. Unemployment Insurance Analysis and Reports. Forecasts workload and determinations of statutory tax and benefit program triggers.</p>	
7.	<p><u>Advocacy assistance program</u> <span style="float: right;">\$1,500,000</span></p> <p>Provides funding for information, consultation, and representation to claimants and employers for the appellate process. Funded with Contingent Fund Penalty and Interest funding which is a fine levied on noncompliant employers. The advocacy is provided by independent contractors and are not employees of the Agency.</p>
8.	<p><u>Special audit and collections program</u> <span style="float: right;">\$2,879,700</span></p> <p>Classified FTE positions <span style="float: right;">34.0</span></p> <p>Responsible for determining employer's tax liability and tax rates, collecting taxes, reimbursing in lieu of taxes, determining interest and penalties, certifying employer wage data to the IRS, and auditing employer records to ensure compliance.</p>
9.	<p><u>Training program for agency staff</u> <span style="float: right;">\$1,807,300</span></p> <p>Classified FTE positions <span style="float: right;">2.1</span></p> <p>Coordinates agency-wide training and maintains records regarding this training.</p>
10.	<p><u>Expanded fraud control program</u> <span style="float: right;">\$3,184,900</span></p> <p>Classified FTE positions <span style="float: right;">33.2</span></p> <p>Responsible for investigating, preventing, and detecting fraud among employers and claimants. Funding is provided from the Penalty and Interest account.</p>
	<p><b>Unit Gross Appropriation <span style="float: right;">\$125,380,400</span></b></p> <p>Federal revenue <span style="float: right;">98,512,400</span></p> <p>State restricted revenue <span style="float: right;">26,868,000</span></p> <p>State general fund/general purpose revenue <span style="float: right;">0</span></p>

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**Sec. 110. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES**

1.	<u>Administrative hearings and rules</u>	\$21,788,000
	Classified FTE positions	163.0

This line provides funding for administrative law judges and the associated administrative costs. Executive Order 2005-01 transferred all of the hearings functions from all State departments and the Office of Regulatory Reform into this unit. The Executive Order transferred 83.0 FTEs into DLEG which are funded from interdepartmental grants, Federal funds, and restricted funds within DLEG. In addition to handling cases for other departments, these judges preside over contested case hearing for the following areas within DLEG:

- Bureau of Construction Codes
- Bureau of Safety and Regulation
- Public Service Commission
- Office of Financial and Insurance Services
- Bureau of Commercial Services
- Bureau of Regulatory Services
- Department of Management and Budget, Office of Retirement Services

Additionally, the Bureau has a Mediation Division which mediates disputes between two parties.

<b>Unit Gross Appropriation</b>	<b>\$21,788,000</b>
Interdepartmental grant revenue	10,472,200
Federal revenue	6,539,400
State restricted revenue	4,776,400
State general fund/general purpose revenue	0

**Sec. 111. INFORMATION TECHNOLOGY**

1.	<u>Information technology services and projects</u>	\$42,799,100
	This line supports the information technology services provided by the Department of Information Technology.	

<b>Unit Gross Appropriation</b>	<b>\$42,799,100</b>
Federal revenue	27,419,100
State restricted revenue	15,380,000
State general fund/general purpose revenue	0

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**Sec. 112. WORKFORCE DEVELOPMENT**

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|----|---|--------------|
| 1. | <u>Employment services</u>  | \$48,523,600 |
|    | Classified FTE positions  | 246.0        |
|    | <p>This program was a unit of the Unemployment Agency until it was separated by Executive Order in 1997. This Agency provides employment service information and services to unemployed individuals, provides specialized services to veterans, migrant and seasonal farm work, processes applications for alien labor certification, and performs investigations and administers the Trade Adjustment Assistance-North American Free Trade Act at the State and local level. This unit also is responsible for maintaining the Michigan Talent Bank which is a labor exchange system where both employers and employees can post jobs or resumes.</p>  |              |
| 2. | <u>Jobs, education and training (JET) pilot</u>   | 9,401,000    |
|    | Classified FTE positions  | 31.0         |
|    | <p>In 2006, the Federal work requirements for Temporary Assistance for Needy Families (TANF) recipients were increased. In order to meet these new requirements, Michigan implemented the JET pilot program to move Family Independence Program (FIP) clients to self-sufficiency. One component of this pilot project included the referral of some clients to the Michigan Rehabilitation Services (MRS) program for evaluation and services to those clients with mental or physical disabilities. Funding in this line comes from an interdepartmental grant from the Department of Human Services and covers the cost of additional counselors needed to serve the increased caseload into this program.</p> |              |
| 3. | <u>Jobs education training statewide expansion</u>  | \$13,476,700 |
|    | Classified FTE positions  | 62.0         |
|    | <p>This line item supports the expansion of the JET program (described above) from a portion of the State in FY 2006-07 to the entire State in FY 2007-08.</p>  |              |
| 4. | <u>Labor market information</u>   | \$6,340,200  |
|    | Classified FTE positions  | 52.0         |
|    | <p>This unit is responsible for the development, analysis, and provision of labor force industry and occupational employment data forecasts. Information regularly provided by this Agency includes local area unemployment statistics, current employment statistics, occupational employment statistics, covered employment statistics, mass layoff statistics. This unit also provides survey wage information on all categorized labor as well as alien labor.</p>  |              |
| 5. | <u>Michigan Rehabilitation Services</u>   | 70,737,800   |
|    | Classified FTE positions  | 513.5        |
|    | <p>Administers the Federal matching program which provides information and support services to employers who hire people with disabilities or want to retain an injured or recently disabled employee. This includes:</p>   |              |
|    | <p>A. Disability Management Program. This program provides worksite assessments, return-to-work facilitation, and retention assessments to self-insured or independent employers</p>  |              |



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- B. Long Term Training Program. This Federal grant program provides funding for new or existing staff regarding disability issues, counseling, medical information, and legal precedents.

The line item also funds the Michigan Career and Technical Institute, is a post-secondary residential school located in Plainwell, Michigan. The institute provides technical training in 13 trades, as well as remedial and adult education, support services including rehabilitation, and medical and job placement services. Training is provided for four terms each year and a summer camp is provided for high school students. Maximum capacity is 450 students. Also administered at the Institute is the Federal Pell Grant program which is a direct aid program for students who have financial need and the Federal Supplemental Educational Opportunity Grant which is a Federal matching student aid program for low-income students.

In FY 2005-06, the Michigan Rehabilitation Services line was unrolled from the former line for Employment Training Services. Prior to FY 2005-06 there was a separate line item for the Michigan Career and Technical Institute.

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| 6. | <u>Workforce Programs Administration</u> | \$12,749,400 |
|    | Classified FTE positions                 | 61.0         |

This unit, formerly the Office of Workforce Development, administers the Federal Workforce Investment Act program, Work First, Federal Welfare-to-Work, Federal Food Assistance Employment Training Program, and the Michigan Works! Service Center Program.

<b>Unit Gross Appropriation</b>	<b>\$161,228,800</b>
IDG	22,877,800
Federal Revenue	118,201,300
Local Revenue	7,323,600
Private Revenue	816,000
State Restricted Revenue	3,772,800
State General Fund/General Purpose Revenue	8,237,300

**Sec. 113. CAREER EDUCATION PROGRAMS**

Note: The former Career and Technical Education unit was transferred to the Department of Education by E.O. 2007-4.

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| 1. | <u>Postsecondary education</u> | \$2,691,200 |
|    | Classified FTE positions       | 14.0        |

This line item includes funding for the following units:

- A. Community College Services Unit. Administers both the Community College Services Unit which requires collecting and reporting all student data and administering State and Federal grants made available for technical assistance, curriculum development, and for providing service to special populations.

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<p>B. King-Chavez-Parks Initiative. Provides funding to administer programs to increase the participation of educationally disadvantaged students in Michigan's higher education system. The funding in this budget is strictly for administration while the appropriation for programming and scholarships is included in the Higher Education Appropriation Act. The Initiative provides scholarship funding through these six programs:</p> <ul style="list-style-type: none"> <li>1) College Day Program</li> <li>2) Visiting Professors Program</li> <li>3) Future Faculty Fellowship</li> <li>4) Michigan College/University Partnership Program (MICUP)</li> <li>5) Morris Hood, Jr., Educator Development (MHED) Program</li> <li>6) Select Student Support Services (4S) Program</li> </ul>	
<p>C. Educational Corporations. Approves nonpublic educational corporations including nonpublic elementary and secondary schools and private higher education institutions.</p>	
<p>D. Veterans Education. Administers the contract between the Department of Education and the U.S. Department of Veterans Affairs which requires monitoring of State-licensed facilities and training programs to ensure that veterans attending these programs receive quality education.</p>	
<p>E. Proprietary Schools. Administers the licensure program for proprietary schools which are privately owned trade schools. These schools do not offer degrees; instead graduates receive a certification from the schools. Many of these schools are for profit and are owned by corporations or private individuals.</p>	
2. <u>Adult education</u>	\$2,494,300
Classified FTE positions	16.0
<p>Funding in this line is used to administer both the Federal- and State-funded Adult Education Programs. The Federal funding provided to the school districts is appropriated under the Grants section of this act. The State funding for Adult Education is appropriated in the School Aid Act. The programs administered include:</p>	
<p>A. High School Completion. Programs designed to prepare students to meet the requirements for a high school diploma.</p>	
<p>B. General Education Degree (GED) Test Preparation. Programs designed to prepare students to pass the GED test. These include instruction in English, language arts, math, social studies, science and writing.</p>	
<p>C. Adult Basic Education. Programs provide instruction in reading, English, language arts, math, and civics for adults without a high school diploma.</p>	
<p>D. English as a Second Language. Programs provide instruction in reading, speaking, writing, and comprehension of the English language.</p>	
<b>Unit Gross Appropriation</b>	<b>\$5,185,500</b>
Federal Revenue	3,789,900
State Restricted Revenue	532,800
State General Fund/General Purpose Revenue	862,800

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**Sec. 114. DEPARTMENT GRANTS**

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| 1. | <u>Adult basic education</u><br><br>This is the Federal portion of the adult education funding. These funds are awarded to educational agencies, community-based organizations, volunteer literacy organizations, nonprofit agencies, libraries, public housing authorities, or a consortium of any of the organizations. The funds are split into two categories of grants:<br><br>A. Instructional Program Grants. Grants awarded directly for instructional purposes with up to 10.0% set aside for correctional programs. The Federal funding formula parallels the State funding formula which is 450 hours = 1.0 FTE.<br><br>B. State Leadership Grants. Grants required by the Federal regulations to provide 12.5% for professional development, curriculum development, and technology assistance. | \$20,000,000  |
| 2. | <u>Carl D. Perkins grants</u><br><br>Executive Order 2007-4 transferred much of the career preparation program to the Department of Education. Remaining funds are used for grants to public community colleges for improving occupational education programs. Projects may include curriculum development, professional training, equipment, student services, and coordination with K-12 schools. DLEG administrative costs are also included.  | \$19,000,000  |
| 3. | <u>Focus:HOPE</u><br><br>Focus:HOPE is a nonprofit organization located in Detroit that offers basic education, job training, support services, and post-secondary courses and degrees to low-income individuals. This grant is funded with \$5.0 million in Workforce Investment Act (WIA) funding and \$860,200 in GF/GP.   | \$5,860,200   |
| 4. | <u>GEAR-UP program grants</u><br><br>GEAR-UP stands for Gaining Early Awareness and Readiness for Undergraduate Programs. The goal of this program is to better prepare low-income students in urban areas for post-secondary education. The new Federal grant, announced September 18, 2006, provides six years of funding for the Gear-Up/College Day program which includes early intervention services and scholarships for the low-income youth to prepare for college. The program is run in conjunction with the King-Chavez-Parks College Day program and administered by the Office of Post Secondary Services.  | \$3,000,000   |
| 5. | <u>Workforce training programs subgrantees</u><br><br>This line includes grant funding for:<br><br>A. Workforce Investment Act (WIA) Program. These funds are distributed by formula to the 25 local Michigan Works! Agencies which then awards them to various training service providers. There are four different programs included in this funding: The Adult Program, The Youth Program, The Dislocated Worker Program, and the Services for Workers Affected by Plant Closures and Mass Layoffs. Up to 15% of funds may be used for statewide projects. The No Worker Left Behind program is conducted using Federal funds from this line.<br><br>B. One-Stop Centers. Funding is also made available for the administration of the One-Stop Centers that are located throughout the State.           | \$184,587,800 |
| 6. | <u>Personal assistance services</u><br><br>This grant program is called the Personal Assistance Services Reimbursement for Employment Program (PASREP). Grants from this line are awarded to the Ann  | \$459,500     |

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Arbor Center for Independent Living which administers this program statewide. These funds are provided to disabled individuals as a reimbursement for wages paid to a personal assistant needed to enable the individual to work. Recipients of this funding must meet established criteria and they are required to pay 15.0% of their gross income above the 300.0% Federal poverty level toward the cost of this service. This program is funded with GF/GP revenue.

7. Vocational rehabilitation client services/ facilities \$55,549,500

This line contains funding for the following three grant programs:

- A. Services and Facility Grants. These are Federal matching grants that are provided to both local Rehabilitation Services offices and facilities. These grants provide assessments, counseling, and job placement services to individuals who have a physical or mental disability that results in a substantial barrier to work. Many of the clients served by this program are referred from other local and State agencies including the Family Independence Agency, the Employment Service Agency, the Department of Corrections, hospitals, health care organizations and educational institutions.
- B. Technology Assistance Grants. This program has recently been changed to the Michigan Assistive Technology Project and the funding is granted through an agreement with the Michigan Disability Rights Coalition. This organization works in an advisory capacity for the State and coordinates with 25 local projects and the Michigan Assistive Technology Clearinghouse to increase local access to assistive technology. Additionally, the grant is also used to support a contract with the Michigan Protection and Advocacy Service for individual legal-based advocacy for disabled individuals.
- C. Supported Employment Grants. These grants are provided to individuals who have severe disabilities and who would otherwise not meet the eligibility requirements of vocational rehabilitation but would not be able to function in the workplace without these services. The types of services include job coaching, and transportation. These grants are funded with Federal dollars.

8. Vocational rehabilitation independent living \$3,079,700

These grants are provided to the 10 established and five developing Centers for Independent Living located around the State. There are two types of Federal grants included in this line: the first, Title I, is for employment training and placement services to individuals who are served at these centers, the second type, Title VII, are Core Funding grants provided to these Centers for basic operation and administration. Additionally, a portion of the GF/GP in this line is used to match the Federal Core funding and the remaining \$1.5 million is used to fund core services as well as advocacy services.

9. Welfare-to-work programs \$107,938,600

This line includes funding for the four welfare-to-work programs administered by the State. This includes an employment and training program for Food Stamp Recipients, noncustodial parents in arrears with child support payments, and noncash recipients, as well as the cash recipients. These funds are awarded to the 26 local Michigan Works! agencies which award grants to local service providers. Boilerplate section 437 allocates \$140,000 from this line to Focus:HOPE for a pilot program to improve job placement and retention of welfare recipients.

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| 10. | <u>Fire protection grants</u><br><p>These grants are provided in lieu of property taxes, to cities, villages, and townships for fire protection of State-owned buildings located within the municipality. Funding for this line comes from \$2,410,500 from the Liquor Purchase Revolving Fund, a General Fund-equivalent fund source for which year-end balance is deposited into the General Fund. The remaining \$8.5 million is from the Fire Protection Fund, a fund created by P.A. 165 of 2003 to receive a portion of the revenue from Driver Responsibility Fees (Bad Driver Fees) which is required to be used for Fire Protection Grants. The statute provides that after the first \$65.0 million is collected annually from Driver Responsibility Fees, the next \$3.5 million of revenue is deposited into the Fire Protection Fund. After a total of \$100.0 million in collections in a fiscal year, the next \$5.0 million also is deposited in the Fire Protection Fund. Fire Protection Grants are distributed based on a formula established in PA 289 of 1979 which takes into account the estimated State Equalized Value (SEV) of the State building, the SEV of all property located in the local unit, and the total fire expenditures of the local unit. Award amounts are prorated based on the total appropriation.</p> | \$10,910,500 |
| 11. | <u>Low-income/energy efficiency assistance fund</u><br><p>This Fund was created in the Customer Choice and Electric Reliability Act of 2000. The Act specified that any cost savings realized from the issuance of securitization bonds would be deposited into this Fund. These funds then are redistributed to eligible applicants through a competitive grant process. Historically, through December 2007, 77.0% of the funds have been used for shut-off protection for low-income customers, 18.3% promoted energy efficiency among low-income electric customers, and 4.7% was used for the development of energy efficiency programs that benefit all customer classes. As a result of a rate case in February 2004, funding for this line is no longer generated from savings realized from securitization, but is rather funded through an assessment on Detroit Edison customers. A rate case decided in December 2005 provides for Consumers Energy also to make payments to this fund based on electricity revenue and a decision in November 2006 required contributions from gas revenue. Annual revenue to the fund is approximately \$84.0 million.</p>  | \$80,000,000 |
| 12. | <u>Liquor law enforcement grants</u><br><p>This line provides funding for local law enforcement agencies to enforce the liquor laws. Sec. 543(1) of the Liquor Control Act requires that 55.0% of the retail license fees collected be returned to the locals for enforcement purposes.</p>   | \$6,100,000  |
| 13. | <u>Remonumentation grants</u><br><p>This program provides grants to counties as reimbursement for remonumentation efforts to monument the original U.S. public land survey corners which serve as the basis for all public and private property locations.</p>  | \$14,000,000 |
| 14. | <u>Michigan Nursing Corps</u><br><p>This new program for FY 2007-08 provides funding to increase the number of registered nurses and nursing faculty. Funds are to be awarded to public or private universities or community colleges and hospitals. Funds may be used for stipends to nurses seeking post-graduate degrees, for accelerated nursing programs, and preparation of clinical nursing faculty. This program is funded with General Fund revenue.</p>   | \$1,500,000  |

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| 15. <u>Michigan Housing and Community Development Fund</u> | \$2,163,400 |
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The Michigan Housing and Community Development Fund was created by Public Acts 479 and 480 of 2004. FY 2007-08 is the first year of State contribution to the Fund, which is administered by MSHDA.

<b>Unit Gross Appropriation</b>	<b>\$517,149,200</b>
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Federal Revenue	366,670,100
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Local Revenue	7,908,800
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Private Revenue	3,400,000
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State Restricted Revenue	112,010,500
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State General Fund/General Purpose Revenue	27,159,800
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**Sec. 115. BOARDS, AUTHORITIES AND COMMISSIONS**

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| 1. <u>Michigan employment security board of review</u> | \$2,307,500 |
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Classified FTE positions	18.0
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This line provides funding for the Board of Review for contested unemployment claims that have failed to be resolved by the Unemployment Agency referees. This review is the final step in the appeal process for unemployment claims. Additionally, the Board reviews referee decisions regarding tax liability issues. This line is entirely funded with Federal Department of Labor funds.

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| 2. <u>Rights-of-way oversight authority</u> | \$560,500 |
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Classified FTE positions	5.0
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This authority was created under PA 48 of 2002. The authority is an autonomous agency, administered by a director who is appointed by the Governor for four-year terms. The authority is charged with the coordination of public right-of-way matters with municipalities and collecting the mandatory standardized fees from telecommunication providers owning facilities in public rights-of-way within a municipality. The authority provides those fees to local units of government under a formula of 25.0% to townships and 75.0% to cities and villages. Funding distributed to townships is based on the number of linear feet of rights-of-way occupied by providers, and the funding distributed to cities and villages is granted similar to the distribution of the State Trunkline Highway funds. The funding in this line item is dependent upon the passage and enactment of Senate Bill 1258 of the 2004-05 legislative session, which redefines the distribution formula by reducing the two allocation to allow for 2.0% to be allocated to cover administrative costs. If this bill does not pass, there will be no revenue to fund this line item.

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| 3. <u>Land bank fast track authority</u> | \$1,831,300 |
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Classified FTE positions	6.0
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This Authority was created by PA 258 of 2003. The authority is made up of seven members, of which four are at-large members, with the remaining members being the Director of the Department, the CEO of the MEDC, and the Executive Director of MSHDA. The Authority Director is also appointed by the Governor. The purpose of the Authority is to assemble or dispose of public property, including tax-reverted

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property in order to foster development. Assembly and acquisition can include quieting title. Under statute, the Authority is also provided the authority to provide for the financing of these activities either through the issuance of bonds or by borrowing money.	
4. <u>Commission on Spanish speaking affairs</u>	\$251,700
Classified FTE positions	2.0
Created by PA 164 of 1975, this Commission is made up of 15 members appointed by the Governor. The Commission is charged with advising State government on programs serving Hispanics and making policy recommendations. The focus is economic development, education, legislative advocacy, and civic engagement. The Commission projects include marketing the career development services in Michigan to the Hispanic community, developing initiatives to reduce high school dropout rates of Hispanic youth, and to work toward increasing Hispanic enrollment in postsecondary education and training programs. This Commission was transferred from the Department of Civil Rights in 1999 and is funded from the General Fund.	
5. <u>Commission on disability concerns</u>	\$1,068,900
Classified FTE positions	7.0
This line contains funding for citizens' advocacy requests for citizens with disabilities. The Governor appoints Commission members. The Department cooperates with business and professional service providers to promote understanding of clients' concerns. A Division on Deafness responds to service and information inquiries on deafness.	
6. <u>Commission for the blind</u>	\$19,830,900
Classified FTE positions	94.0
This line contains funds for the provision of employment opportunities in order to achieve independence.	
7. <u>Utility consumer representation</u>	950,000
This line provides spending authority for the operations of the Utility Consumer Participation Board which is responsible for ensuring that funding is available for utility (gas, electric, and fuel) customers in cost recovery hearings before the Public Service Commission. The fund source for this is an assessment placed on regulated utilities servicing more than 100,000 customers. These assessments are placed into a fund which is distributed based on a formula outlined in statute, PA 304 of 1982. The formula distributes these funds by providing 47.5% to the Attorney General; awarding 47.5% in grants to organizations representing consumers, and 5.0% to the Department of administrative costs.	
8. <u>Youth low-vision program</u>	\$241,800
These funds provide visually impaired youth specialized services, such as low vision exams, special devices, and teach necessary daily living skills.	
9. <u>Tax Tribunal</u>	\$2,006,900
The Tax Tribunal consists of seven members appointed by the Governor with the advice and consent of the Senate for four-year terms. Its statutory authority exists in PA 186 of 1973. The Authority is funded with Tax Tribunal Fees, Corporation Fees, and Securities Fees.	

<b>DEPARTMENT OF LABOR AND ECONOMIC GROWTH</b> <b>PART 1: LINE ITEM DETAIL</b>
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**2007 PA 118**  
**FY 2007-08**  
**Year-to-Date**

Classified FTE positions	15.0
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The Tax Tribunal acts as a quasi-judicial agency to decide local and State tax appeal cases regarding ad valorem property tax assessments, special assessments, equalization, allocation, and apportionment under the general property tax laws. In addition the Tribunal has jurisdiction over nonproperty tax matters such as income, sales, use and withholding taxes, single business taxes, motor fuel taxes, and intangibles and inheritance taxes.

10.	<u>Employment Relations</u>	\$3,243,800
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Classified FTE positions	21.0
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The following divisions are funded out of this line item:

- A. Administration. This division provides overall administration for this Bureau.
- B. Labor Relations. This program regulates employers, labor organizations, and employees in collective bargaining and labor relations.
- C. Mediation. Mediates labor disputes and contract negotiations for public and private employers and employees.
- D. Fact Finding and Arbitration. Public Act 312 of 1969 mandates that arbitration be used to prevent work stoppages by police, fire, and emergency medical staff. This Act also mandates fact finding be performed to prevent work stoppages among public sector employees. This process is utilized only after bargaining or mediation between the employer and employee has not succeeded in an employment contract. Arbitrators issue a binding award and fact finders issue a nonbinding recommendation which can be used for further negotiation. Arbitrators and fact finders are appointed by the Employment Relations Commission.

<b>Unit Gross Appropriation</b>	<b>\$32,293,300</b>
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Federal revenue	17,310,100
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Local revenue	521,000
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Private revenue	128,300
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State restricted revenue	9,142,700
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State general fund/general purpose revenue	5,191,200
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**DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
PART 2: BOILERPLATE DETAIL  
2007 PA 118, ARTICLE 12**

<b>Section Number</b>	<b>Description and History</b>
	<b>STANDARD LANGUAGE SECTIONS</b>
201	<p><b><u>Total State Spending in Part 1.</u></b> Total State spending and payments to local reporting section for appropriation made in Part 1.</p> <p><b>Background:</b> This section states the total State spending from State resources in this bill and lists the total payments to local units of government. This is a standard boilerplate section contained in all appropriations bills pursuant to 1984 PA 431.</p>
202	<p><b><u>Management and Budget Act.</u></b> States that appropriations authorized under this Act are subject to the Management and Budget Act.</p> <p><b>Background:</b> This is a standard section contained in all appropriations bills.</p>
203	<p><b><u>Definitions.</u></b> Definitions and acronyms contained in the Act.</p> <p><b>Background:</b> This is a standard section contained in all appropriations bills.</p>
204	<p><b><u>Civil Service 1% Charges.</u></b> Provides method for Civil Service billing departments for 1% charges authorized by Article XI, Section 5, of the Michigan Constitution. The total amount billed is to be paid by the end of the second quarter (March 31).</p> <p><b>Background:</b> This language was first included in appropriations bills in FY 1995-96. This section was proposed by the Administration to clarify the timing of payments under this section.</p>
205	<p><b><u>Hiring Freeze.</u></b> Imposes a hiring freeze and provides for exceptions. Provides for a quarterly report to the chairs of the appropriations committees regarding exceptions to the freeze. Exceptions are limited to: inability to perform basic services, loss of revenue, inability to receive Federal funds, or resulting costs exceeding savings from maintaining a vacancy.</p> <p><b>Background:</b> First included in appropriations bills in FY 1991-92. This is standard language in all appropriations bills that contain funding for classified employees. This hiring freeze policy was initiated with Executive Directive 1991-14.</p>
208	<p><b><u>Internet Reporting.</u></b> Requires the Department is to use the Internet to fulfill reporting requirements of this act.</p> <p><b>Background:</b> This language was first included in FY 1999-2000.</p>
209	<p><b><u>Buy American.</u></b> Prohibits the use of funds for purchase of foreign goods or services if competitively priced American goods or services are available. Requires that preference also be given to Michigan-based companies and veteran-owned and operated companies.</p> <p><b>Background:</b> This language was first put in the appropriations bill in FY 1992-93. It is standard in most appropriations bills. The language was modified for FY 2007-08 to include a preference for veterans.</p>
210	<p><b><u>Deprived and Depressed Communities.</u></b> Requires the Department director to take all reasonable steps to ensure Michigan businesses in these communities compete for and perform State contracts.</p> <p><b>Background:</b> This language was first put in the appropriations bill in FY 1991-92. It is standard in most appropriations bills.</p>
211	<p><b><u>Affirmative Action Programs.</u></b> Requires the Department to establish and maintain affirmative action programs based on guidelines developed by the State Equal Opportunity Workforce Planning Council in order to receive GF/GP funding in compliance with Section 26 of Article I of the State Constitution of 1963.</p> <p><b>Background:</b> This is boilerplate language in most appropriations bills. The reference to compliance to the Constitution was added in FY 2007-08 after passage of Proposal 2 which amended the Constitution to prohibit preferential treatment based on race, gender, color, ethnicity, and national origin.</p>

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
PART 2: BOILERPLATE DETAIL  
2007 PA 118, ARTICLE 12**

<b>Section Number</b>	<b>Description and History</b>
212	<p><b><u>Receive and Retain Reports.</u></b> Requires the Department to receive and retain reports funded from Part 1 and to follow State and Federal guidelines for short- and long-term retention of these reports.</p> <p><b>Background:</b> This is standard boilerplate language in most appropriation bills.</p>
213	<p><b><u>Information Technology User Fees.</u></b> Provides that the Department shall pay user fees to the Department of Information Technology (DIT) for technology related services and projects pursuant to interagency agreements.</p> <p><b>Background:</b> FY 2004-05 was the first year of this language. Standard language in all appropriations bills. The Department will maintain the appropriation for Information Technology costs and it is identified in the DIT budget as an interdepartmental grant from user fees.</p>
214	<p><b><u>IT Work Projects.</u></b> Allows for the funding appropriated for Information Technology to be designated as a work project by the Director of DIT.</p> <p><b>Background:</b> FY 2004-05 was the first year of this language.</p>
215	<p><b><u>Report on Policy Changes and Regulatory Limits.</u></b> Requires the Department to report by April 1, 2008, on specific policy changes made to implement enacted legislation. Prohibits the use of funds to develop or promulgate rules that fail to reduce the disproportionate economic impact on small business pursuant to MCL 24.240.</p> <p><b>Background:</b> FY 2007-08 was the first year of this language.</p>
216	<p><b><u>Fund Sourcing.</u></b> Prohibits the Department from aggregating into general categories the sources of funding in Part 1.</p> <p><b>Background:</b> FY 2004-05 was the first year of this language. Following the consolidation of the three departments (Former Departments of Career Development, Consumer and Industry Services and the Michigan Strategic Fund), the Governor recommended aggregating all of the fund sources for the administrative units of the bill. The Legislature unrolled these sources and put in this language in an attempt to prevent this from happening in the future.</p>
217	<p><b><u>Travel Language.</u></b> Prohibits out-of-state travel for State employees unless certain circumstances exist. A report is required for any exceptions to the restrictions.</p> <p><b>Background:</b> FY 2004-05 was the first year of this language.</p>
219	<p><b><u>Legislative Communication.</u></b> Prohibits the Department from taking disciplinary action against employees for communicating with legislators or their staff.</p> <p><b>Background:</b> FY 2005-06 was the first year for this language. It is standard in all appropriations bills.</p>
220	<p><b><u>Federal Pass-through Funding.</u></b> Allows the Department to carry forward Federal pass-through funding that does not require a State match.</p> <p><b>Background:</b> Language that was transferred into this bill in FY 2000-01 with the Adult Education units from the Department of Education. Moved from Sec. 414 to Sec. 220 in FY 2007-08.</p>
221	<p><b><u>Legal Services Limitation.</u></b> Prohibits use of funds to hire legal services that are the responsibility of the Attorney General.</p> <p><b>Background:</b> First included in FY 2007-08.</p>
222	<p><b><u>Continuous Improvement.</u></b> Requires the Department to implement continuous improvement efficiency mechanisms that identify changes made to increase efficiency and reduce expenditures. Reports must be submitted by March 31, 2008, and September 31, 2008.</p> <p><b>Background:</b> First included in FY 2007-08.</p>

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
PART 2: BOILERPLATE DETAIL  
2007 PA 118, ARTICLE 12**

<b>Section Number</b>	<b>Description and History</b>
223	<p><b><u>Contingency Funds.</u></b> Permits additional Federal, restricted, local, and private funds received during the year to be expended after approval of a legislative transfer.</p> <p><b>Background:</b> This language was restored in FY 2007-08 after not being included in the budget since FY 2001-02.</p>
	<b>REGULATORY SECTIONS</b>
301	<p><b><u>Fire Protection Grants.</u></b> Provides for the distribution of these funds from the Liquor Purchase Revolving Fund and the Fire Protection Fund to cities, villages, and townships with State-owned buildings. Funding is in lieu of property taxes and is to be used to provide fire services for these buildings. The formula for the distribution of these grants is provided in MCL 141.951 to 141.956, PA 289 of 1977.</p> <p><b>Background:</b> This grant program was created in the late 1970s to provide funding for larger cities that were experiencing fiscal problems. These funds are available to any local unit of government whose award amount is equal to or greater than \$500. In the late 1980s funding was changed from General Fund dollars to the Liquor Purchase Revolving Fund (LPRF). These grants are always counted on the balance sheet. Any increase in these grants would ultimately reduce the amount of General Fund because the balance of the LPRF is deposited into the General Fund at the end of the fiscal year. In 2003 the Fire Protection Fund was created to receive a deposit of \$3.5 million from Driver Responsibility Fees, if the revenue collected exceeds \$65.0 million, and then another \$5.0 million if the revenue collected exceeds \$100.0 million in a single fiscal year.</p>
302	<p><b><u>Office of Financial and Insurance Services, Conservatorship.</u></b> Allows for the funds collected for a conservatorship to be appropriated for all related expenses and permits the funds to be carried forward.</p> <p><b>Background:</b> This is a longstanding boilerplate section.</p>
303	<p><b><u>Office of Financial and Insurance Services, Corporation Liquidation.</u></b> Allows for the funds collected from corporations being liquidated to be appropriated to cover all related expenses to provide the required services.</p> <p><b>Background:</b> This is a longstanding boilerplate section.</p>
304	<p><b><u>Nonconfidential Information Regarding Licensees.</u></b> Allows the Department to make available nonconfidential information regarding licensees and to charge for this information. Language includes a reporting requirement and allows language to carry forward in the specific restricted fund account or in the absence of one, to lapse to the General Fund.</p> <p><b>Background:</b> This is a longstanding boilerplate section.</p>
306	<p><b><u>Michigan State Housing Development Authority (MSHDA) Housing Production Goals.</u></b> Requires the Department to report on the status of the housing production goals under all financing programs administered by the Authority.</p> <p><b>Background:</b> This is a longstanding boilerplate section.</p>
308	<p><b><u>Elevator Fees.</u></b> Allows the Department to carry forward any unexpended fees relative to the regulation of elevators. Requires the Department to submit a report on the balance of these funds annually.</p> <p><b>Background:</b> This is a longstanding boilerplate section.</p>
310	<p><b><u>Fire Safety Fees.</u></b> Provides a fee schedule for fire inspections of hospitals and plan review and construction inspection of hospitals and schools including universities.</p> <p><b>Background:</b> This language has been contentious in previous fiscal years when fee increases have been proposed. The fees were set at the present level in the budget for FY 2001-02.</p>

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**  
**PART 2: BOILERPLATE DETAIL**  
**2007 PA 118, ARTICLE 12**

<b>Section Number</b>	<b>Description and History</b>
313	<p><b><u>Licensing and Regulation Fees.</u></b> Allows the Department to carry forward any excess licensing and regulation fees collected by the office of commercial services and requires that this revenue be used as the first source in the subsequent fiscal year.</p> <p><b>Background:</b> This is a longstanding boilerplate section. This language was changed in FY 2005-06 to allow only the Office of Commercial Services to carry forward. Previous versions of this language also allowed for the carryforward of insurance licensing fees.</p>
314	<p><b><u>Unemployment Agency Federal Revenue.</u></b> Allows the Agency to receive and expend any additional Federal Department of Labor revenue for the staffing and operational expenses. Notification to the Legislature is required of these additional revenues.</p> <p><b>Background:</b> Allows the Agency to adjust staffing levels consistent with changes in the unemployment rate in Michigan. This allows for greater flexibility by eliminating the need for a supplemental or a transfer.</p>
315	<p><b><u>Sale of Documents.</u></b> Allows the Department to assess and collect fees related to the cost of production and distribution of various manuals, codes, rules, or transcripts. The affected documents include only those documents covered under the Business Corporation Act for the Corporation and Securities Divisions, local government assistance manuals including the subdivision control manual and the State Boundary Commission manual, Liquor Control Code, Mobile Home Commission Act, Business Corporation Act, the Nonprofit Corporation Act, the Uniform Securities Act, Labor Law books, Workers' Compensation Health Care Service Rules, Minimum Design Standards for Health Care Facilities, Construction Code Manuals, and transcripts from administrative law hearing held by the Department.</p> <p><b>Background:</b> This is a longstanding boilerplate section.</p>
317	<p><b><u>Worker Injuries and Fatalities.</u></b> Requires the Department to provide an annual report regarding the number of individuals injured or killed in regulated industries in Michigan for the most recent year data is available.</p> <p><b>Background:</b> This language was added in FY 2000-01.</p>
335	<p><b><u>Low Income/Energy Efficiency Assistance Grants.</u></b> Requires a report on this grant program which was established as part of the Utility Deregulation Act.</p> <p><b>Background:</b> Added in FY 2001-02.</p>
336	<p><b><u>OFIS Expenditures.</u></b> Requires the Department to submit a report on the expenditures of each division within this Office.</p> <p><b>Background:</b> Following the consolidation of the Insurance Bureau with the Financial Institutions Bureau in 2000, there has been concern that Insurance Regulatory Fees are being expended for costs not related to insurance regulation. This language has been changed from previous years which required the Department to account for these fees separately and to identify expenditures in the Departmental administrative units from the insurance fees.</p>
337	<p><b><u>Credit Scoring.</u></b> Prohibits the Department from expending any funds appropriated in Part 1 for the Office of Financial and Insurance Services for the implementation of prohibitions on the use of credit scoring in establishing insurance premiums by insurance companies until a statute is passed authorizing such a prohibition.</p> <p><b>Background:</b> This language was added in FY 2005-06. The Department issued rules prohibiting this practice which were challenged in Circuit Court in Barry County and the Judge enjoined the Commissioner from enforcing the rules. The Commissioner has appealed this ruling to the Michigan Court of Appeals and as of October, 2006 a ruling is still pending. The Governor's signature letters for PA 345 of 2006 and PA 118 of 2007 stated that this section was unenforceable as it is considered an amendment by reference to MCL 500.210 to MCL 500.2400.</p>

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
PART 2: BOILERPLATE DETAIL  
2007 PA 118, ARTICLE 12**

<b>Section Number</b>	<b>Description and History</b>
340	<p><b><u>HMO Quarterly Reports.</u></b> Requires the Department to provide copies of these quarterly reports to the fiscal agencies on a timely basis. Allows electronic transmission of reports.</p> <p><b>Background:</b> New language in FY 2005-06. This language eliminates the need for the agencies to separately request these reports from the Department every quarter. This requirement will require these reports be delivered automatically. The reports are reviewed every quarter by the Community Health analysts.</p>
350	<p><b><u>External Reviews of Insurance Benefits.</u></b> Requires the Department to allocate funding to promote awareness of the rights of individuals to seek an external review of adverse determinations regarding benefits after the internal grievance process provided by the carrier has been exhausted.</p> <p><b>Background:</b> This language was added in FY 2003-04 at the request of the AARP.</p>
352	<p><b><u>Appellate Commission.</u></b> Requires the Department to provide funding for five Appellate Commissioners and 26 Board of Magistrate members in the Bureau of Workers' Compensation.</p> <p><b>Background:</b> This language was added in FY 2003-04. In budget development for FY 2003-04 the Governor recommended the elimination of the Appellate Commissioners positions, however, the Legislature restored funding for four of the seven previous positions.</p>
355	<p><b><u>Ergonomic Guidelines.</u></b> Prohibits the use of funds appropriated in Part 1 to fund the development of guidelines, rules, standards, protocols, or other mandates that are more stringent than the Federal voluntary guidelines. The language does not prohibit any person from adopting voluntary guidelines.</p> <p><b>Background:</b> FY 2005-06 was the first year for this language. The Governor's signature letter for PA 345 of 2006 and PA 118 of 2007 stated that this section was unenforceable and was considered an amendment by reference to MCL 408.1001 (The Michigan Occupational Safety and Health Act). FY 2006-07 language adds the requirement that the Department report any staff time or activities regarding the development of voluntary or mandatory ergonomic guidelines.</p>
356	<p><b><u>Commission for the Blind.</u></b> Intent language regarding the maximization of Federal or other matching fund sources.</p> <p><b>Background:</b> FY 2004-05 was the first year of this language. This language was added to request that the Department review matching agreements with the Commission to help maximize all matching fund opportunities in an effort to increase their appropriation without the use of General Fund dollars.</p>
357	<p><b><u>Real Estate Law and Rule Book (Red Book).</u></b> Permits the Department to allocate no more than \$50,000 from the appropriation to the Bureau of Commercial Services for printing of the Red Book, the real estate laws and rules. The Red Book is to be available at no charge to actively licensed real estate brokers, associate brokers, and salespersons. Others may print the Red Book from the internet at no charge or purchase copies.</p> <p><b>Background:</b> FY 2006-07 was the first year of this language. The language was added to address concerns that copies of the Red Book were being delivered at no charge to operators of real estate courses and then resold to students. FY 2007-08 language makes the printing permissive.</p>
358	<p><b><u>Real Estate Education Fund.</u></b> Allows the Department to use the revenue collected from real estate licensing fees and deposited into the real estate education fund to be used to fund an on-line education program provided by a community college or other post secondary institution after licensure and approval by the Department.</p> <p><b>Background:</b> FY 2004-05 was the first year of this language.</p>

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
PART 2: BOILERPLATE DETAIL  
2007 PA 118, ARTICLE 12**

<b>Section Number</b>	<b>Description and History</b>
361	<p><b><u>Land Bank Fast Track.</u></b> Provides receive and expend authority to the Department for any additional revenue above the amount appropriated that is generated through the authorized activities under the Act.</p> <p><b>Background:</b> FY 2004-05 was the first year of this language.</p>
362	<p><b><u>Boxing Regulation.</u></b> Allocates \$200,000 from the amount appropriated in Part 1 to the Department to be used to administer and enforce the boxing regulations in Michigan.</p> <p><b>Background:</b> FY 2004-05 was the first year of this language.</p>
364	<p><b><u>Broadband Development Authority.</u></b> Requires the Department and MSHDA to submit a report on the status of loans made by the Broadband Development Authority.</p> <p><b>Background:</b> Beginning in FY 2005-06, the Broadband Authority was required to report on its administrative costs. The Authority was disbanded in FY 2006-07. The current language is new in FY 2007-08 and is intended to follow the status of loans made under the former program.</p>
365	<p><b><u>Funding for the Aggregate Industry.</u></b> Requires that \$40,000 of the funds appropriated in Part 1 for occupational safety be allocated to nonprofits representing this industry as a grant for training and technical assistance. Funds are subject to the Agency's conditions.</p> <p><b>Background:</b> FY 2005-06 was the first year of this language. Funding provides a grant for the mining industry.</p>
368	<p><b><u>Bureau of Hearings.</u></b> This language allows for various fund sources collected under the Administrative Procedures Act and the Legislative Council Act, to be appropriated for expenses necessary for the cost of publication and distribution. These funds shall not lapse to the General Fund.</p> <p><b>Background:</b> This is the first year of this language. This language was transferred from the General Government appropriation bill in accordance with the creation of the Bureau of Hearings. These funds are deposited into the Michigan Register Fund and are used to cover the cost of publishing the Michigan Register which includes the changes to the Register by the Office of Regulatory Reform.</p>
369	<p><b><u>Video Franchise Assessment Fund.</u></b> Creates the fund to receive revenue from the Uniform Video Services Local Franchise Act. The fund carries forward from year to year.</p> <p><b>Background:</b> FY 2006-07 was the first year of this language which was added in a supplemental bill, PA 41 of 2007, Sec. 471.</p>
370	<p><b><u>Blight Elimination Program.</u></b> Requires that MSHDA report on the status of the Cities of Promise Blight Elimination Program and states legislative intent that at least \$750,000 be allocated to each of the cities of Flint and Saginaw for building demolition.</p> <p><b>Background:</b> FY 2007-08 is the first year of this language.</p>
375	<p><b><u>Low-Income Energy Efficiency Grants.</u></b> Directs the Public Service Commission to require an application deadline of May 1 and award announcements on October 1.</p> <p><b>Background:</b> FY 2007-08 is the first year of this language which moved up the grant cycle to make awards prior to the heating season.</p>
376	<p><b><u>Illegal Liquor Imports Report.</u></b> Requires the LCC in conjunction with authorized distribution agents to report by January 15, 2008, on estimated State revenue due to illegal liquor imports and cost of improvement enforcement.</p> <p><b>Background:</b> FY 2007-08 was the first year of this language.</p>

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
PART 2: BOILERPLATE DETAIL  
2007 PA 118, ARTICLE 12**

<b>Section Number</b>	<b>Description and History</b>
377	<p><b><u>Workforce Investment Act (WIA) Prior Year Funds.</u></b> Permits the automatic appropriation of WIA funds available from prior fiscal years for the original purposes. Requires a report by January 15 of the amount of these funds by fiscal year.</p> <p><b>Background:</b> FY 2007-08 was the first year of the language.</p>
	<b>WORKFORCE AND CAREER DEVELOPMENT SECTIONS</b>
401	<p><b><u>Michigan Career and Technical Institute.</u></b> Allows this postsecondary school located in Plainwell Michigan to receive in-kind contributions through either the Pine Lake fund or the local school district.</p> <p><b>Background:</b> This Institute is a postsecondary education institute for disabled adults. This language allows the Institute to receive contributions through other sources in addition to those appropriated in the 200 section.</p>
402	<p><b><u>Michigan Rehabilitation Services and Matching Funds.</u></b> This language requires that every effort be made to use all sources of funding available to match available Federal funds for this program.</p> <p><b>Background:</b> Longstanding section of boilerplate.</p>
403	<p><b><u>Michigan Rehabilitation Services Facilities and Matching Funds.</u></b> This language limits the amount of the match for the facilities establishment grants at 21.3%.</p> <p><b>Background:</b> Starting in the late 1990s, the amount of General Fund that has been made available to match these Federal funds has been reduced. As a result, a greater amount of local dollars are needed to meet the requirements and maintain the Federal funding levels. This language holds the facilities harmless by freezing their match level. The local match for nonfacilities in 2001 was 27.0%.</p>
404	<p><b><u>Vocational Rehabilitation Independent Living.</u></b> Requires the General Fund revenue not used to match Federal funds, be used to support the Centers for Independent Living. Also requires the statewide Independent Living Council and the Michigan Association of Centers for Independent Living to jointly produce a report on the use of these funds.</p> <p><b>Background:</b> In 1999, \$1.0 million in additional funding was added to this budget. This section was added to provide an account of how that funding is distributed among the Centers located throughout the State. In FY 2007-08 the report was changed from an annual to a biennial requirement.</p>
405	<p><b><u>Work First.</u></b> Requires the Work First program to be conducted pursuant to applicable State and Federal laws.</p> <p><b>Background:</b> From the mid-1990s (following the changes made in the Federal welfare system) to FY 2007-08, the section contained direction on program operations. The program details are now contained in other statutes.</p>
406	<p><b><u>Longitudinal Study of Work First Participants.</u></b> Requires the Department to conduct a three-year longitudinal study of all former participants whose cases closed due to earnings during FY 1998-99 and succeeding years. The Department shall cooperate with the Department of Human Services to complete this study and is given the authority to retain a third party to conduct the study.</p> <p><b>Background:</b> This language was added in FY 1999-2000 as a way to determine the status of former recipients.</p>

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
PART 2: BOILERPLATE DETAIL  
2007 PA 118, ARTICLE 12**

<b>Section Number</b>	<b>Description and History</b>
407	<p><b><u>Local Workforce Development Boards.</u></b> Requires these local boards to maintain a partnership with other local agencies including educational institutions in order to receive funding. Also requires the boards to appoint an education advisory group and outlines the groups from which the members should be chosen from.</p> <p><b>Background:</b> This language was added to ensure that each of the boards had educational input on all issues before the board.</p>
408	<p><b><u>Study Baccalaureate Degree Opportunities.</u></b> Permits the Department to study using the capacity of community colleges to enhance access to baccalaureate degrees in applied science and technology.</p> <p><b>Background:</b> FY 2007-08 was the first year of this language.</p>
409	<p><b><u>Report on Private Grant-Funded Projects.</u></b> Requires the Department to report within 10 days of the receipt of any private grants to be expended on the Private Grants line item.</p> <p><b>Background:</b> New language in FY 2007-08.</p>
410	<p><b><u>Veteran's Employment Programs.</u></b> Requires the Department to make available a disabled veteran's outreach specialist or a veterans' employment representative, in person or by telephone at each Michigan Works! office during the hours of operation.</p> <p><b>Background:</b> Added in FY 1999-2000. During some of the reorganization of the Unemployment Agency, the split of the Employment Service portion raised concerns that the employment needs of this population would not be met. This language attempts to address the needs of this population by requiring that the level of services remain at pre-1999 levels, prior to the reorganization. Revised in FY 2007-08 to permit assistance by telephone.</p>
415	<p><b><u>School Fee Fund.</u></b> Allows a carryforward of these fees if they are unexpended at the end of the fiscal year.</p> <p><b>Background:</b> This language was transferred into this bill in FY 2000-01 with the Adult Education units from the Department of Education.</p>
417	<p><b><u>Defaulted Loans.</u></b> Allocates \$100,000 from the collections on defaulted loans awarded under the King-Chavez-Parks programs to offset the administrative costs associated with collections from defaults.</p> <p><b>Background:</b> This language was transferred into this bill in FY 2000-01 with the Adult Education units from the Department of Education.</p>
418	<p><b><u>Employment Outcome Data on the King-Chavez-Parks Initiative.</u></b> Requires the Department to compile and report on the employment outcomes for the Future Faculty Program from each university that receives funding under this program.</p> <p><b>Background:</b> This language was transferred into this bill in FY 2000-01 with the Adult Education units from the Department of Education.</p>
421	<p><b><u>King-Chavez-Parks Initiative.</u></b> Requires the Department to market this program to the appropriate audiences and to report on these efforts. Also includes intent language that the Department administer this program just as it had been under the Department of Education and consistent with all boilerplate language in the appropriation bill for Higher Education.</p> <p><b>Background:</b> The administrative portion of this program was transferred to this Department in FY 2001-02 from the Department of Education while the funding for these grant programs remains in the Higher Education bill. This language was added to ensure consistency with the administration of this program.</p>



**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**  
**PART 2: BOILERPLATE DETAIL**  
**2007 PA 118, ARTICLE 12**

<b>Section Number</b>	<b>Description and History</b>
425	<p><b><u>Displaced State Employees.</u></b> Requires the Department to work with the Department of Civil Service to ensure that displaced employees resulting from reorganization or elimination of an agency or program. Also requires that training programs be developed to re-employ these individuals in State government or the private sector.</p> <p><b>Background:</b> This language is the result of the closure of the Unemployment Agency branch offices due to the change to the Remote Initial Claims system.</p>
427	<p><b><u>Youth Low Vision Program.</u></b> Requires this program to be a payer of last resort. Further states that other public or private insurance coverage and special education funds be exhausted prior to using the appropriated funds in Part 1 to purchase equipment for individuals.</p> <p><b>Background:</b> FY 2005-06 was the first year this language was included in the bill. This program was transferred with the Commission for the Blind from the Family Independence Agency/Department of Human Services in FY 2003-04 in Executive Order 2003-18.</p>
429	<p><b><u>Focus: HOPE.</u></b> Requires this organization to provide a report on the use of the GF/GP funding.</p> <p><b>Background:</b> FY 2002-03 was the first year of this language.</p>
430	<p><b><u>Jobs, Education and Training.</u></b> Prohibits the expenditure of funds for the JET statewide expansion until the State budget director has determined that savings to the State had been realized in FY 2006-07 due to the previous expansion to 50.0% of the State.</p> <p><b>Background:</b> New language in FY 2007-08.</p>
431	<p><b><u>Michigan Nursing Corps.</u></b> Describes the program funded in Part 1. The purpose of the Michigan Nursing Corps is to increase the number of nurses and increase the capacity of nursing faculty. Grants will be awarded by DLEG in conjunction with the Department of Community Health (DCH). Grants from the Michigan Nursing Corps program are to be awarded to Michigan institutions of higher education, including two- and four-year colleges, public, private, and tribal institutions, and to hospitals providing nurse educators and related clinical training to additional student nurses in partnership with institutions of higher education. The granted funds may be used for scholarships and stipends to students in master's degree programs, doctoral degree programs, preparation of clinical instructors, and preparation of registered nurses. Scholarship recipients must agree to work in Michigan for a minimum number of years determined by DCH, and funds will be recovered from recipients who do not work in Michigan. The DCH will also be responsible for program management, data management and evaluation, in conjunction with DLEG. The appropriation of \$1.5 million is established as a work project and may be carried forward.</p> <p><b>Background:</b> New language in FY 2007-08.</p>
432	<p><b><u>No Worker Left Behind Report.</u></b> Requires a report by July 1, 2008, that presents data on the No Worker Left Behind program for the period August 1, 2007, through May 30, 2008. The report must include funding by Michigan Works Agency, detail on the number of participants and type of educational program, and completion of education and training programs.</p> <p><b>Background:</b> New language in FY 2007-08.</p>
433	<p><b><u>JET Expansion Report.</u></b> Requires a report by March 1, 2008, that presents data for the period January 15, 2007, through December 30, 2007, on the JET pilot program and the expansion of the program to 50.0% of the State.</p> <p><b>Background:</b> New language in FY 2007-08.</p>

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**  
**PART 2: BOILERPLATE DETAIL**  
**2007 PA 118, ARTICLE 12**

**Section**

**Number      Description and History**

- 434      **Michigan After-school Partnership.** Requires DLEG to collaborate with the State Board of Education, the Department of Human Services, the Department of Community Health, and the Department of History, Arts, and Libraries to extend the duration of the after-school partnership and consider how to implement the steps identified in the Michigan After-school Initiative report of December 15, 2003. Permits DLEG to allocate up to \$25,000 to support the Michigan After-School Partnership. Directs the expansion of membership in the partnership and requires a report by December 31 on the progress toward reaching the previously identified goals.
- Background:** New language in FY 2007-08. The boilerplate also appears in the budgets of the other departments named in the section.
- 435      **No Worker Left Behind Program – Eligible Providers.** Directs the Department to ensure that school distinction and career preparation programs are eligible education providers under No Worker Left Behind and the Federal Workforce Investment Act.
- Background:** New language in FY 2007-08.
- 437      **Focus: HOPE Pilot Program.** Allocates \$140,000 from the Welfare-to-Work line to Focus: HOPE for a pilot program to improve the job placement and retention of welfare recipients by addressing barriers to employment.
- Background:** New language in FY 2007-08.
- 438      **Michigan Housing and Community Development Fund.** Describes the use of the appropriation for the Fund, that \$2,163,4000 is allocated to MSHDA for projects conducted pursuant to the State Housing Development Authority Fund Act of 1966, and requires a report by May 1 on program activities and participants.
- Background:** New language in FY 2007-08.
- 439      **Land Bank Fast Track Authority.** Allocates \$400,000 of the appropriated funds for maintenance and demolition of tax revenue properties.
- Background:** New language in FY 2007-08.